

IMPLEMENTATION OF GREEN MARKETING IN EFFORTS TO FORM A BRAND IMAGE

(A Case Study of Danone Aqua)

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Abstract: Green marketing is a type of marketing that benefits the environment and environmental sustainability. Green Marketing is a strategic approach that combines stakeholder analysis to build long-term customer relationships while supporting, preserving and protecting the environment. Aqua is one of the Bottled Drinking Water (AMDK) pioneers in the field of environmental protection, processing water resources efficiently and in an environmentally acceptable manner. One of its implementations is Danone's Aqua commitment to ensure transparency in all aspects of its operations through the Good Corporate Governance practice. Danone - Aqua strives to achieve practical sustainable business while contributing to the response to many social and environmental problems through the "One Circular Planet" strategy. The aim of the study is to comprehend and explain how to implement green marketing to create a brand image (Danone - Aqua study). The study is based on qualitative data that collected using secondary data technique from various websites, online magazines, articles and scientific articles written by various authors. From the result (Yuliyanti 2014; Cicilia 2015) shows that green marketing consisting of green product, green price, green promotion and green place influence to form a brand image.

Keywords: Strategy, Green Marketing, Brand Image

Introduction

In today's era of globalization, sustainable companies are developing rapidly on a global scale, which has produced many positive and negative consequences. People were worried about negative consequences such as environmental degradation, which could endanger the health of all living things

in the universe. Therefore, most companies have begun to adopt green marketing and product development strategies to maintain the environment while satisfying consumer preferences to generate long-term profitability. Many people are interested in brands and green sustainability. Practitioners and scholars in marketing, supply chain management, information management and many other business disciplines are concerned with this. Although the importance of becoming greener and more sustainable is growing (due to factors such as climate change and environmental regulation), there is no comprehensive structure to develop green industry brands and companies. Therefore, businesses need to give high priority to environmental responsibility, not only for the benefit of consumers but also to improve business effectiveness. Many companies apply green marketing as their marketing sub-form as well as trying to develop green products that can help address evolving environmental problems. Companies with a good record of the environment look well managed and visionary. Marketing of environmentally friendly goods and services successfully reduces the consequences of environmentally unsustainable business practices and improves organizational performance (Hart & Milstein, 1999; Ginsberg & Bloom, 2004).

One of the Bottled Drinking Water (AMDK) companies that have implemented this green marketing strategy is Aqua drinking water company. Aqua is one of the pioneers of AMDK that has conducted environmental conservation. Aqua processes water resources well and environmentally friendly. Danone Aqua, a brand born in Indonesia, has dedicated itself for more than 45 years providing goodness through healthy hydration while preserving the environment. One of its implementations is Danone-commitment Aqua's to providing transparency in all aspects of its operations through the practice of Good Corporate Governance. Danone – Aqua seeks to achieve practical sustainable business while contributing to the answers to many social and environmental concerns through the "One Circular Planet" strategy.

Literature Review

Green Marketing

The term "green marketing" was coined in 1975 at an American Marketing Association symposium on marketing and the environment (Simo and Lisbon, 2017; Kuo and Smith, 2018). According to Roy, environmental concerns (and the resulting green marketing ideas) have been around for decades, despite the fact that they have only recently come to people's attention (2013). It is stated that green marketing begins with the creation of a "Corporate Social Responsibility Report," which shows a company's environmental, social, and financial consequences on society.

Green marketing aims to formulate client happiness in order to offer the company's contribution to the world, particularly in terms of environmental impact. Green marketing, according to the American Marketing Association (AMA), is a type of marketing for environmentally friendly products that combines several activities such as product modification, product process changes, packaging, advertising strategies, and raising awareness of inter-industry marketing compliance. (2007; Ayu & Wardhana, 2016). There are two sorts of green marketing mix: external green P's and internal green P's. (Palwa, 2014).

Brand image

Customers' perceptions and beliefs, which are represented in customer connections or memories, make up brand image (Tjiptono, 2015: 49). In the perspective of customers, brand image is defined by the likes, strengths, and originality of brand associations (Partners & Brands, 2020). In a continually changing market, brand image distinguishes the brand message from competing brands (Latif et al., 2015).

Green marketing relationship with Brand Image

Green marketing relationship with brand image in its application can provide customer satisfaction and also provide benefits for environmental and corporate conditions. In addition, green marketing provides alternative options for consumers and can also shape consumer perception of brand image.

A consumer's opinion of a firm or its products can have a beneficial impact on the company or its products, leading to consumer sales. This is due to the fact that a positive company image is more likely to encourage customers or consumers to purchase the product (Sutisna and Pawitra, 2001:83).

Environmentally friendly items manufactured by the company are obviously more expensive than regular products (green pricing), but consumers who form a brand image will influence the structure of consumer purchasing decisions because consumers prefer to buy from companies/products with a reputation as a positive image (Sutisna and Pawitra, 2001:83).

The Objectives of the Study

The following are the objectives of this study:

- 1) To identify the various green marketing mix on brand image.
- 2) To study the influence of each mix in shaping Danone-Aqua brand image.

Methodology

The qualitative data approach was applied in this study. The data gathered from a variety of websites, online journals, articles, and research papers written by multiple authors utilizing a secondary data strategy.

Discussion and Result

The discussion shows the outcomes of the researcher's arguments and thoughts regarding to the use of green marketing to establish a brand image. Green marketing, which includes green products, green prices, green promotions, and green venues, has an effect on brand image according to several studies (Yuliyanti 2014; Cicilia 2015).

The American Marketing Association (AMA) in Hawkins and Mothershaugh (2010), green marketing is defined as the process of promoting products that are considered environmentally friendly. Green marketing includes not just ecologically friendly products, but also production techniques, packaging improvements, green prices, green promotions, and green locations. Green marketing has a fair chance of becoming a viable marketing technique for improving a company's brand image. Green marketing tactics are unquestionably more valuable than traditional marketing strategies. Green marketing is not only a profit-maximizing approach but also a means of preserving environmental stability. In the midst of today's environmental challenges, a green marketing approach will assist to develop a brand image.

Implementation of green marketing to brand image

Many companies leverage environmental issue to pique public attention and one of them is through the use of green marketing, which is a marketing approach that is thought to be environmentally benign. Green marketing is a marketing management concept that is focused on environmental concerns. Companies that use green marketing as a marketing strategy are mentioned to have an easier time developing a brand image.

The result is the application of green marketing has an important influence in improving the brand image of a company.

Green Product to improve brand image

Companies must use the notion of green marketing to establish differentiation strategies in the environmental era in order to achieve a competitive edge (Chen and Chang, 2013). According to Chen (2008), organizations use green marketing for five reasons: to improve their image, to comply with environmental trends, to obtain a competitive edge, to seek new markets or new prospects, and to increase product value.

Aqua is a whistleblower of Bottled Drinking Water (AMDK) in Indonesia which was established in 1973 and then established a strategic partnership with Danone in 1998. Danone-Aqua established recycling business unit (RBU) in Tangerang in 2010 and in Bali in 2013. This is one of Danone-Aqua's commitments to package waste management to reduce its environmental impact. The RBU annually collects an average of 12,000 tons of used plastic bottles. They are building a new life cycle of plastic bottles into valuable resources. Used plastic bottles collected are recycled so that it can become the raw material of new bottles. In addition, the used plastic bottles are also an important component in the production of textiles, geo textiles for the construction of toll roads, stripping tires, dakron and other products needed for industry and household.

Green Price to improve brand image

One of the most difficult in green marketing issues is green pricing. Producers will be encouraged to develop more sustainability if social and environmental costs are reflected in the presentation of prices to customers and customers are prepared to pay those prices. Corporations that charge such fees and transfer them to customers are always faced with two dangers of being accused of abusing customer interests as well as price increases relative to competitors (Durning, 2011).

All Aqua bottle products packaging uses plastic recycling raw materials up to 25% and is continued to increase the recycling content until it reaches 50%. Together with Our Ocean Conference, Aqua Life 100% new products are made from 100% recycled plastic and 100% recyclable. This new product is proof that the plastic economy can be realized. The use of plastic recycled materials as well as packaging weighting initiatives allow Danone-Aqua to reduce new plastics by more than 15,000 tons/year.

Green promotion to improve brand image

There are three sorts of green promotions: (a) advertising promotions that directly link products or services to the environment, (b) advertising promotions that promote a healthy and green lifestyle by carrying the products supplied, and (c) advertising promotions that promote the company's image. These three types of promotions can be applied and selected as an alternative to doing green promotions. Kotler and Keller in Ismardiansyah (2016:12).

Aqua in terms of advertising also always campaigns for an environmentally friendly lifestyle. The messages delivered in each ad always invite to do simple things but bring about big changes and have a positive impact for the change of environment. As in the advertisement conducted by Aqua on television and other media that invites the public to crush by easily pressing the empty Aqua bottle, then throw it in the trash. For this environmental awareness campaign Aqua carries the slogan "Good start, good ending".

Green place to improve brand image

Green place is also important in improving the green marketing strategy. According to Kotler and Keller in Ismardiansyah (2016:12), the place reflects the company's activities to produce products aimed at consumers or target markets. Companies that desire to achieve the company's goals to the maximum must

position their products in the company's consumer that the location should be adapted to the concept adopted.

Green place is all about managing logistics to reduce transportation emissions, thus it primarily strives to reduce carbon footprint and pollution in general, as a result of the use of distribution gates for green products that are suited for clients in terms of convenience. Some clients may go to considerable measures to purchase eco-friendly products in order to ensure that cycling methods are carried out under environmental conditions, norms, and criteria. The dispersion of green is a pretty smooth process. The buyer must be assured that the product has ecological features. Some people will go to tremendous efforts to purchase environmentally friendly products.

Danone-Aqua develops and implements the use of environmentally friendly alternative transportation models by using trains as a mean of product distribution. Railways remain an alternative transportation option to transport products from the company's factory in Mekarsari to the warehouses in Bogor. Currently, trains operate twice and carry about 5% of the plant's entire product.

Conclusion

From the previous discussion, it is concluded that the implementation of green marketing has an important influence in improving the brand image. A concrete example of Danone-Aqua that implements green marketing in shaping is its brand image. Some research related to green marketing and brand image (Yuliyanti 2014; Cicilia 2015) shows that green marketing consisting of green product, green price, green promotion and green place affects the brand image.

Green Product: At the RBU, the collected pet plastic bottle garbage is sorted, cleaned, rinsed, and chopped. The collections are then sold to a recycling company, which processes them into raw materials for various goods including

geotextiles for toll road coverings, threads for the fashion industry, Dacron for pillows, and even tire strapping for fasteners. *Green Price*: Aqua Life 100 percent, whose packaging is made entirely of recycled plastic, is completely recyclable. This invention demonstrates that a circular plastic economy is possible. *Green Promotion*: Aqua feels that they have started the goodness via the production process to demonstrate that Aqua cares about the environment, and they hope that consumers will do the same, such as crushing and discarding the bottle of Aqua that has been consumed. *Green Place*: Danone-Aqua develops and implements ecologically friendly alternative transportation methods for product distribution by employing trains.

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